

**Connecticut State Department of Education**

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**Commissioner of Education**



**Executive Summary**  
**Hartford Public Schools Fiscal**  
**Operations**  
**Financial Analysis of Hartford Magnet**  
**School Operations**

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## Background: Hartford Magnet Funding Analysis

In June 2024, the State Board of Education (SBE) authorized statutory intervention under Connecticut General Statutes (C.G.S.) § 10-223e to ensure the stability of fiscal operations in the Hartford Public Schools (HPS or the District) following the District's report to the SBE's Accountability and Support Committee on the impact of budget reductions on HPS' staffing levels. Acting on behalf of the SBE, the Commissioner instructed the Connecticut State Department of Education (CSDE) to address three areas: (1) optimizing funds utilization at Hartford's magnet schools; (2) assessing and enhancing special education services; and (3) improving financial systems. This Executive Summary addresses the first focus area – magnet school funding utilization.

This magnet funding prong of the three-pronged approach is part of the CSDE's overall support to Hartford Public Schools fiscal operations. Hartford magnet schools are operated by the District as part of HPS' educational system, serving Hartford students as well as out-of-district students in a themed educational environment.<sup>1</sup> In 2023-24, the last year of the report review, District-operated magnet schools educated more than 4,000 Hartford-resident students out of nearly 8,000 enrollments across all Hartford magnet schools. Appendix A and B. The magnet funding analysis represents an important component of the Hartford fiscal review given the significant role of District magnet schools in offering educational options to Hartford-resident students.<sup>2</sup>

The CSDE's Office of Internal Audit (OIA), in collaboration with the CSDE's Legal Office, conducted the magnet funding analysis, which included an analysis of the funding of Hartford's magnet schools through its Equity-Based Budget Framework (EBBF) to determine the following: (1) alignment with the *Sheff v' O'Neill* court order (the Comprehensive School Choice Plan (CCP), which was signed by the City of Hartford as a party to the case); and (2) compliance with the statutory requirements of interdistrict magnet schools in C.G.S. § 10-264i to provide high-quality, themed, and integrated education.

OIA reviewed HPS financial records for fiscal years (FY) 2019, 2022 and 2024 and primarily focused on operating funding sources, comprised of Education Cost Sharing (ECS) Grants, Magnet School Operating Grants, and local district funding. The review included analyses of enrollment trends, staffing levels, and school facility utilization to contextualize how shifts in these areas affect both magnet and Neighborhood schools.

The findings presented in this Executive Summary and the Final Report are intended to provide a factual and comprehensive understanding of the District's use of magnet funding, highlight key fiscal and operational trends impacting *Sheff*-related obligations, and identify recommendations for the equitable and efficient allocation of educational resources in line with statutory and court-ordered obligations. The Executive Summary presents key takeaways from the Final Report and includes select section summaries from that document to highlight the review findings and conclusions.

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<sup>1</sup> Not all schools in the Hartford Public School system are magnet schools. The District operates "Neighborhood" schools as well, which are also public schools run by the Hartford Board of Education.

<sup>2</sup> The magnet funding prong took on particular importance based on reported concerns from families with students in District-operated magnet schools about significant changes in programming at such schools over the years of the review period.

## **HPS Adopted the EBBF in 2020 to Allocate School Funding**

### **SELECT SECTION SUMMARY FROM THE FINAL REPORT**

- A key analysis for the magnet review is the impact of the EBBF on the District's allocation of shared resources to magnet schools as part of a single Hartford Public School system.
- HPS adopted the EBBF in 2020 to set the operating funding levels for magnet schools and Neighborhood schools based on student enrollment and need within the Hartford educational system.
- The EBBF consists of two allocations – the School Based Allocation and the District Allocation – in combination to determine a school's budget. The School Based Allocation determines administrative, general instruction and support positions using student enrollment projections, weighted for upper grade levels, multilanguage learners and chronically absent students. The District Allocation budgets for other positions and expenses based on the District's assessment of school need.
- The District assigns revenue sources to allocate funding based on the budgets from the EBBF.

The District adopted the EBBF in 2020 to set the operating funding levels for magnet schools and Neighborhood schools with the purpose of allocating funding in an equitable way across all schools based on student enrollment and need. A key analysis for the magnet review is the impact of the EBBF on the District's allocation of shared resources to magnet schools and Neighborhood schools as the operator of both school types within the HPS system.

The EBBF consists of two allocations – the School Based Allocation and the District Allocation – in combination to determine a school's budget. For the School Based Allocation, schools enter school enrollment numbers in the EBBF spreadsheet to calculate: (1) administrative, general instruction and support positions; (2) funding needs for non-position costs; and (3) an allotment for discretionary school funding that is weighted for higher grade levels and for magnet schools. The calculation is weighted for percentages of multilingual learners and chronically absent students to provide added funding for additional positions to support the higher student need based on these factors. At the time the EBBF was implemented in 2020, the calculation provided magnet schools with a \$500 per student allotment, but that allotment was reduced to \$250 per student in FY21 and eliminated in FY26.

The second allocation of the EBBF – the District Allocation – determines the budget needs for (1) mandatory or statutorily required positions; and (2) costs for substitute teachers, middle and high school athletics and utilities. Funding allocation decisions regarding the District Allocation are made by respective HPS central office departments based on the departments' assessments of school need.

The District assigns revenue sources to allocate funding after the budget levels are established through the EBBF.

## ***Sheff* Magnet Schools Reflect the Large Majority of Voluntary Interdistrict Programs Designed to Serve the CCP and Are Funded Through a Complex Framework to Support Compliance with the Goals of *Sheff v. O’Neill***

### **SELECT SECTION SUMMARY FROM THE FINAL REPORT**

- Magnet schools were created as part of the State’s constitutional obligation under the landmark *Sheff v. O’Neill* case to remedy racial, ethnic, and economic isolation by offering diverse, high-quality educational opportunities to Hartford students.
- The parties entered a final settlement (the CCP) in 2022, which included the City of Hartford as a signatory.
- The CCP sets specific goals, quality standards, and commitments for magnet schools as the largest component of the *Sheff* system and specifically recognizes such schools as critical structures for advancing integration and educational equity in the Hartford region.
- The CCP and magnet statutory provisions in C.G.S. § 10-264l require that interdistrict magnet schools provide high-quality, theme-based, and integrated educational programs that attract a diverse student population by offering rigorous academics, engaging themes, and robust extracurricular opportunities.
- The Permanent Injunction (PI) tied to the CCP allows the *Sheff* plaintiffs to return to court for up to 10 years if the State fails to meet the CCP’s material terms to enforce compliance with the court-ordered agreement.
- In 2009, Public Act (PA) 09-6 (Sept. Special Session) overhauled the State’s magnet school funding system, creating a distinct funding framework for *Sheff* Region<sup>3</sup> magnets that provided significantly higher per-pupil grants than those outside the region to ensure all *Sheff* operators have the financial capacity to deliver high-quality, diverse, and specialized programs that fulfill the State’s constitutional obligations under *Sheff*.

Magnet schools were created as part of the State’s constitutional obligation under the *Sheff v. O’Neill* case to remedy racial, ethnic, and economic isolation by offering diverse, high-quality educational opportunities to Hartford students. The parties to the *Sheff* case, including the City of Hartford, agreed to a final settlement, the Comprehensive School Choice Plan, which was approved by the General Assembly and adopted as an order of the court in 2022. The CCP sets specific goals, quality standards, and commitments for magnet schools as the largest component of the *Sheff* system and specifically recognizes such schools as critical structures for advancing integration and educational equity in the Hartford region.

The CCP is enforced through the terms of the PI, which, along with the CCP itself, was signed by the *Sheff* parties, approved by the General Assembly, and adopted as an order of the Superior Court. The PI explicitly authorizes the Plaintiffs, for a period of 10 years (through 2032), to return to court and

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<sup>3</sup> Interdistrict magnet schools exist both inside and outside of the “Sheff Region,” which is defined in the CCP to include “the school districts of Avon, Bloomfield, Canton, East Granby, East Hartford, East Windsor, Ellington, Farmington, Glastonbury, Granby, Hartford, Manchester, Newington, Rocky Hill, Simsbury, South Windsor, Suffield, Vernon, West Hartford, Wethersfield, Windsor, and Windsor Locks.” CCP, at 5.

ultimately to litigate alleged noncompliance with certain material terms of the CCP. Consequently, continued compliance with the CCP is essential to avoid renewed court intervention.

The CCP relies extensively on the magnet school system in the *Sheff* Region to fulfill the State's *Sheff* obligations based on the extensive scope of the system, comprised of 44 magnet schools and almost 19,000 enrolled students in 2023-24. Appendix A. Hartford operates 21 of the 44 magnet schools in the *Sheff* Region as part of the HPS educational system. In 2023-24, Hartford-resident students represented more than half of the total student enrollment at District magnet schools. Appendix A and B.

The stipulation and associated magnet statutory provisions in C.G.S. § 10-264*l* require that interdistrict magnet schools provide high-quality, theme-based, and integrated educational programs that attract a diverse student population. The CCP specifies “key ingredients for creating attractive and appealing voluntary interdistrict options as the foundation for the core school choice portfolio” including: (1) attractive 21<sup>st</sup> century magnet themes; (2) appealing extras; and (3) high quality education. CCP, at 8-9.

Funding allocations are a critical consideration for meeting the mandates of the CCP. Magnet school funding in Connecticut is governed by C.G.S. § 10-264*l*, which establishes per pupil operating grants based on the type of operator – either a local board of education or a non-board entity such as a Regional Educational Service Center (RES-C) or college affiliate. In the *Sheff* Region specifically, magnet school funding was significantly enhanced through PA 09-6 (Sept. Spec. Sess.), which distinguished *Sheff* operators from those elsewhere in the State due to their court-ordered role in reducing racial and economic isolation to ensure all *Sheff* operators have the financial capacity to deliver high-quality, diverse, and specialized programs that fulfill the State's constitutional obligations under *Sheff v. O'Neill*.

Before the 2009 legislative change, both local board of education operators and non-board operators received per-pupil grants without distinction based on region, with local boards receiving a different and lower amount for both non-resident and resident student enrollments than non-board operators, and non-board operators receiving higher grants plus the ability to charge tuition. After the passage of PA 09-6 (Sept. Spec. Sess.), the funding formula was revised to differentiate *Sheff* Region operators: (1) local board of education operators began receiving no per-pupil funding for resident students but significantly higher grants for non-resident students, reflecting their access to ECS funding and local tax revenue; while (2) non-board operators continued to receive per-pupil grants for all students and retained the authority to charge tuition. Both groups received increased funding levels within the *Sheff* Region compared to operators outside the region.

The table below illustrates the change to the funding framework before and after PA 09-06 (Sept. Spec. Sess.), which elevated funding levels for all *Sheff* Region magnets as a group and differentiated the framework by type of operator from the rest of the State.

**Executive Summary Table 1**

<b>Historical Magnet Operating Grant Per-Pupil Funding</b>							
<b>Region</b>	<b>Operator Type</b>	<b>Per-Pupil Rate (Pre-FY10)</b>		<b>Per-Pupil Rate (FY10)</b>		<b>Per-Pupil Rate (2023-24)</b>	
		<b>Resident</b>	<b>Non-Resident</b>	<b>Resident</b>	<b>Non-Resident</b>	<b>Resident</b>	<b>Non-Resident</b>
<b>Sheff Region</b>	<b>BOE</b>	<b>\$3,000</b>	<b>\$6,730</b>	<b>\$0</b>	<b>\$12,000 + tuition prohibited</b>	<b>\$0</b>	<b>\$13,315 + tuition prohibited</b>
	<b>RESC/College Affiliated</b>	<b>\$7,620 + tuition</b>	<b>\$7,620 + tuition</b>	<b>\$9,695 + tuition</b>	<b>\$9,695 + tuition</b>	<b>\$10,652 + tuition</b>	<b>\$10,652 + tuition</b>
<b>Non-Sheff Region</b>	BOE (*tuition if authorized)	\$3,000	\$6,730*	\$3,000	\$6,730*	\$3,060	\$7,227*
	RESC <55% single district	\$7,620 + tuition	\$7,620 + tuition	\$7,620 + tuition	\$7,620 + tuition	\$8,058 + tuition	\$8,058 + tuition
	RESC >= 55% single district	\$3,000 largest town + tuition	\$6,730 + tuition	\$3,000 largest town + tuition	\$6,730 + tuition	\$3,060 largest town + tuition	\$7,227 + tuition

As noted above and in the table, PA 09-6 (Sept. Spec. Sess.) (1) increased the per pupil rates for all *Sheff* magnet operators; and (2) created a unique funding model for board of education-operated *Sheff* magnets by eliminating funding for resident students and nearly doubling the per-pupil rate for non-residents. Senator Thomas Gaffey, co-chair of the Education Committee, explained during the 2009 debate that “we have to keep in mind that we are operating under a court order... to have a far more diverse makeup of our schools in the Sheff region,” underscoring the constitutional importance of the funding structure. The elevated grants reflected the State’s intent to ensure that all *Sheff* operators, regardless of governance model, have the financial resources necessary to meet integration mandates and support high-quality, themed education. Recent legislative reforms in 2024 have further revised this framework, moving toward a needs-based formula aligned with ECS, while maintaining the differentiated treatment of *Sheff* board of education operators through continued \$0 per-pupil funding for in-district students.

## Key Findings from OIA's Analysis of District Magnet Funding

The OIA conducted a comprehensive review of HPS' magnet school funding to evaluate how resources are allocated and whether the District's practices align with statutory and court-ordered requirements under *Sheff* and the CCP. The analysis examined both budgeted and actual expenditures to capture how funds were distributed and spent at the school level during FY19, FY22 and FY24, accounting for centralized costs, based on budget documents, accounting ledgers and various other reports from the District's accounting system to isolate budgeted funding and expenditures for magnet schools and for Neighborhood schools. The review also included interviews with District staff and magnet school principals, and analysis of enrollment, staffing, and facility utilization data to understand how demographic and operational shifts may have influenced funding patterns.

OIA compared per pupil operating funds among three key groups to test whether magnet schools are receiving funding consistent with both the intent of C.G.S. § 10-264l and the goals of *Sheff* and the CCP:

1. HPS-operated *Sheff* magnet schools;
2. Non-board *Sheff* magnet operators (the Capitol Region Education Council (CREC) and Goodwin University Educational Services (GUES)); and
3. HPS Neighborhood schools, as part of the HPS educational system.

Operating funds for HPS *Sheff* magnet schools are composed of three components: (1) the magnet operating grant for out-of-district student enrollments; (2) ECS funding from the State for in-district students; and (3) local funding from tax revenues and health & welfare funds. Operating funds for non-board of education *Sheff* magnet schools are composed of two components based on the funding structure in C.G.S. § 10-264l: (1) the magnet operating grant for all enrolled students; and (2) tuition charged to the resident towns of enrolled students. For Neighborhood schools, operating funds include the ECS grant and local funding.

The results revealed systemic funding imbalances – most notably, that Hartford-operated magnet schools received substantially less per-pupil operating funding than both non-board *Sheff* magnet operators and the District's Neighborhood schools, despite serving comparable student enrollments as Neighborhood schools.

Key OIA findings from the analysis are set forth below.

→ Analysis of “theoretical” operating funds<sup>4</sup> for HPS-operated *Sheff* magnet schools compared to non-board operators (CREC and GUES) found a substantial funding gap, with Hartford magnets lagging behind other *Sheff* Region schools.

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<sup>4</sup> The OIA analysis of estimated operating funds for purposes of the comparison with non-board of education peer *Sheff* operators assumed that ECS funds were distributed evenly across all District schools and that no deductions were made for centralized costs. This calculation reflects the theoretical total funding that would be available to support magnet operations if State-issued grant funding within the District's operating funds were proportionally shared and fully directed to school-level operations. This approach was taken for an equalized comparison between HPS magnet schools and non-board of education *Sheff* operators since OIA did not have access to the centralized costs that are deducted from operating funds for CREC and GUES. Centralized costs include costs for central office administration and centrally controlled accounts. The analysis refers to these calculations without centralized costs as the “theoretical” amount.



- The analysis revealed a significant lag in operating funds between Harford-operated magnets and the non-board of education-operated magnets in the *Sheff* Region.
- Specifically, for FY24, CREC and GUES's per pupil operating funds were nearly identical at \$16,775 and \$16,794 respectively, while the HPS rate trailed by nearly \$2,800 at \$14,008 per pupil. Executive Summary Table 2.

**Executive Summary Table 2**

<b><i>Sheff</i> Magnet (Theoretical) Operating Funds Comparison by Operator</b>						
	<b>FY 19<sup>5</sup></b>			<b>FY24</b>		
	<b>CREC</b>	<b>GUES</b>	<b>HPS</b>	<b>CREC</b>	<b>GUES</b>	<b>HPS</b>
<b>Enrollment (All Grades)</b>	8,637	940	8,282	8947	1240	7522
<b>Estimated Tuition</b>	\$39,356,540	\$5,329,152	\$0	\$56,330,932	\$7,720,098	\$0
<b>Magnet Operating Grant</b>	\$88,054,745	\$9,804,341	\$58,429,704	\$93,755,568	\$13,104,628	\$48,266,875
<b>ECS Estimate</b>	\$0	\$0	\$39,798,790	\$0	\$0	\$45,061,011
<b>HPS Local Funding</b>	\$0	\$0	\$8,949,480	\$0	\$0	\$12,040,831
<b>Total Estimated Operating Funding</b>	\$127,411,285	\$15,133,493	\$107,177,974	\$150,086,500	\$20,824,726	\$105,368,717
<b>Estimated Per Pupil</b>	\$14,752	\$16,099	\$12,941	\$16,775	\$16,794	\$14,008

\*PK and K-12 tuition rates were averaged to obtain aggregate average tuition rates.

→ Analysis of budgeted operating funds<sup>6</sup> for HPS-operated *Sheff* magnet schools compared to District Neighborhood schools found a substantial funding gap, with Hartford magnet schools lagging behind District Neighborhood schools in resource allocation across the HPS system. Executive Summary Table 3.

- In 2019, Neighborhood schools received \$644 more per student than magnet schools (6.6% more at \$10,341 vs \$9,697 per pupil).
- By 2024, after implementation of the EBBF, the gap widened to \$3,317 more per student, reflecting a 30.5% gap in funding (\$14,186 for Neighborhood schools versus \$10,869 per pupil for magnets schools).
- Between 2019 and 2024, Neighborhood schools received \$2,673 more per pupil in budgeted operating funds than magnet schools.

<sup>5</sup> For FY19, funding per pupil was slightly higher at GUES (\$16,099) than at CREC (\$14,752). This variance is due to differences in K-12 tuition rates.

<sup>6</sup> The OIA analysis utilized budgeted operating funds based on data from actual accounting records made available to OIA from HPS for purposes of the OIA's review of the District's magnet funding. The budgeted operating funds reflect the actual budgeted allocations provided to magnet schools and Neighborhood schools in each year of the analysis, accounting for administrative and central office costs.



**Executive Summary Table 3**

<b>Budgeted Operating Funds Comparison of Magnet and Neighborhood Schools</b>									
<b>Year</b>	<b>Total Enr. (Col. 1)</b>	<b>Res. Std. Enr. (Col. 2)</b>	<b>ECS Funding for Res. Std. (Col. 3)</b>	<b>ECS Funding Per Pupil (Res. Std.) (Col. 4)</b>	<b>Mag. Sch. Op Grant (Col. 5)</b>	<b>Local Funding (Col. 6)</b>	<b>Local Funding Per Pupil (Col. 7)</b>	<b>Total Operating Funds (Col. 8)</b>	<b>Operating Funds Per Pupil (Col. 9)</b>
<b><u>Magnet Schools</u></b>									
<b>2024</b>	7,522	3,897	23,373,378	5,998	46,340,605	12,040,831	3,090	81,754,814	\$10,869
<b>2022</b>	7,852	3,871	18,002,074	4,650	51,227,900	9,693,425	2,504	78,923,399	\$10,051
<b>2019</b>	8,282	3,790	17,372,520	4,584	53,987,264	8,949,480	2,361	80,309,264	\$9,697
<b><u>Neighborhood Schools</u></b>									
<b>2024</b>	7,514	7,514	70,352,635	9,363	N/A	36,242,267	4,823	106,594,902	\$14,186
<b>2022</b>	8,073	8,073	65,301,839	8,089	N/A	35,162,528	4,356	100,464,367	\$12,444
<b>2019</b>	10,000	10,000	68,251,667	6,825	N/A	35,159,949	3,516	103,411,616	\$10,341

→ Allocations of Hartford general funds (ECS funds plus local funding) account for the higher levels of budgeted operating funds to Neighborhood schools. Executive Summary Table 4.

- Neighborhood schools received substantially higher levels of per pupil funding from both ECS and local sources than magnet schools received from shared HPS resources, resulting in a persistent and widening resource gap, despite accounting for differences in resident student enrollment through the per pupil calculation.
- Neighborhood schools received over \$5,000 more per pupil in general funds in both FY22 and FY24 than magnet schools.
- In FY24, ECS budgeted funding per magnet resident student was \$5,998 versus \$9,363 per Neighborhood school student, representing 56% more in ECS funding to Neighborhood schools than magnet schools. Similarly, local funding in that year was \$3,090 per magnet school student and \$4,823 per Neighborhood school student, again, representing 56% more in local funding to Neighborhood schools than magnet schools.
- Overall, budgeted general funding per resident magnet student in FY24 was \$9,088 at magnet schools versus \$14,186 for Neighborhood school students – a 56% greater per pupil allocation at Neighborhood schools. Similar trends held true in the other years in the review period.

**Executive Summary Table 4**

<b>Per Pupil Funding for General Fund Budget-- Neighborhood Schools (NS) and Magnet Schools (MS)</b>										
<b>Year</b>	<b>Res. Count (Col. 1)</b>	<b>ECS for MS Res. PP (Col. 2)</b>	<b>ECS for NS PP (Col. 3)</b>	<b>Percent Diff. NS vs MS (Col. 4)</b>	<b>Local Funding MS Res. PP (Col. 5)</b>	<b>Local Funding NS PP (Col. 6)</b>	<b>Percent Diff. NS vs MS (Col. 7)</b>	<b>Total General Fund MS Res. PP (Col. 8)</b>	<b>Total General Fund NS PP (Col. 9)</b>	<b>Percent Diff. NS vs MS (Col. 10)</b>
<b>2024</b>	7,514 NS 3,897 MS	\$5,998	\$9,363	56.1% more to NS	\$3,090	\$4,823	56.1% more to NS	\$9,088	\$14,186	56.1% more to NS
<b>2022</b>	8,073 NS 3,871 MS	\$4,650	\$8,089	74% more to NS	\$2,504	\$4,356	74% more to NS	\$7,155	\$12,444	73.9% more to NS
<b>2019</b>	10,000 NS 3,790 MS	\$4,584	\$6,825	49.9% more to NS	\$2,361	\$3,516	49% more to NS	\$6,945	\$10,341	48.9% more to NS

→ The same funding differential between Neighborhood schools and magnet schools applies to general fund expenditures (the amount actually expended by the two school types in the applicable years).

- In FY19, total general fund expenditures per resident student were 54.2% higher at Neighborhood schools than at magnet schools, however, by FY24, the gap had widened to 71.9% in favor of Neighborhood schools after implementation of the EBBF.

- Enrollment trends in both magnet schools and Neighborhood schools show declining enrollment for both school types (with the exception of special education enrollment in magnet schools), although the negative trends in Neighborhood schools were substantially greater than in magnet schools over the study time period which led to similar enrollment totals by FY24. Executive Summary Table 5.
- Overall enrollments at both school types decreased between FY19 and FY24, however, the negative trend was much greater in Neighborhood schools (-25%) compared to magnet schools (-9%).<sup>7</sup>
  - In 2019, Neighborhood school enrollment (10,000) was significantly more than at magnet schools (8,282); however, by 2024, enrollments for the two school types were nearly identical (7,522 total magnet enrollment compared to 7,514 total Neighborhood school enrollment).
  - High-need student enrollment decreased by 24% at Neighborhood schools compared to a 1% decrease at magnet schools.
  - Special education enrollment decreased by 17% at Neighborhood schools compared to a 14% increase at magnet schools.
- Trend analyses comparing budget and expenditure calculations from FY19 to FY24 confirmed that funding gaps between magnet schools and Neighborhood schools, from each evaluated source, increased over the review period and since the implementation of EBBF, even though enrollment gaps decreased over time to nearly identical overall enrollment in FY24. Executive Summary Table 5.
- The per pupil gap in budgeted operating funds between magnet schools and Neighborhood schools increased to nearly \$2,700 per pupil since implementation of the EBBF in 2020 and FY24.
    - In FY19, the difference in per pupil budgeted operating funds between magnet schools and Neighborhood schools was \$644 per pupil.
    - In FY24, the per pupil funding gap widened to \$3,317 per pupil.
  - Operating budgets for magnet schools increased by 12% compared to a 37% increase for Neighborhood schools from FY19 to FY24, while operating expenditures increased by 3% and 25%, respectively.
  - Total Budgets (from all revenue sources) for magnet schools increased by 40% (\$10,252 to \$14,308) from FY19 to FY24, compared to a 63% (\$12,280 to \$20,059) increase for Neighborhood schools. Total expenditures increased by 34% and 61%, respectively.

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<sup>7</sup> Of note, within magnet schools, the percentage of students from out-of-district declined from 54.2% to 48.2% from FY19 to FY24, while resident enrollments increased by 2.8% from 3,790 in FY19 to 3,897 in FY24. The declining non-resident enrollment resulted in a decrease in the aggregate amount of the magnet school operating grant from \$53,987,264 to \$46,340,605, exacerbating the impact of lagging budgeted general fund allocations to magnet schools as compared to Neighborhood schools especially given the increase in resident student enrollments.

**Executive Summary Table 5**

<b>HPS Trends in Enrollment, Budgeting, and Funding FY19 and FY24</b>							
<b>Trend Category</b>		<b>Magnet Schools</b>			<b>Neighborhood Schools</b>		
		<b>2019</b>	<b>2024</b>	<b>Trend %</b>	<b>2019</b>	<b>2024</b>	<b>Trend %</b>
Enrollment	Total Enrollment	8,282	7,522	-9%	10,000	7,514	-25%
	Resident Student Enrollment	3,790	3,897	3%	10,000	7,514	-25%
	Out of District Enrollment (Magnet Only)	4,492	3,625	-19%	n/a	n/a	n/a
	High Need Student Enrollment	5,675	5,645	-1%	9,317	6,922	-26%
	Special Education Student Enrollment	1,046	1,197	14%	1,762	1,471	-17%
ECS & Local Funds Per Pupil	Budgeted	\$6,945	\$9,088	31%	\$10,341	\$14,186	37%
	Expenditures	\$6,541	\$7,319	12%	\$10,085	\$12,583	25%
Magnet Operating Grant Per Pupil	Budgeted	\$12,019	\$12,784	6%	N/A	N/A	N/A
	Expenditures	\$12,800	\$12,782	-.1%	N/A	N/A	N/A
Total Operating Funds Per Pupil	Budgeted	\$9,697	\$10,869	12%	\$10,341	\$14,186	37%
	Expenditures	\$9,936	\$10,252	3%	\$10,085	\$12,583	25%
Total Budget Per Pupil	Budgeted	\$10,252	\$14,308	40%	\$12,280	\$20,059	63%
	Expenditures	\$10,054	\$13,498	34%	\$11,624	\$18,670	61%

→ Analysis of grants in which distributions are made at the discretion of HPS including Alliance District and COVID-19 grants concluded that the vast majority of discretionary funding from these grants was distributed to Neighborhood schools from FY19 through FY24. For example, in 2024 when enrollment was virtually identical at Neighborhood and magnet schools, 36% of Alliance District and COVID funding went to magnet schools and the remainder to Neighborhood schools.<sup>8</sup> Executive Summary Table 6.

**Executive Summary Table 6**

<b>Alliance District and COVID Grants -- Funding Comparison</b>							
<b>Enrollment</b>		<b>2019</b>		<b>2022</b>		<b>2024</b>	
		<b>MS</b>	<b>NS</b>	<b>MS</b>	<b>NS</b>	<b>MS</b>	<b>NS</b>
		8,282	10,000	7,852	8,073	7,522	7,514
<b>Alliance District Grant</b>	Total	\$268,810	\$5,224,622	\$4,320,605	\$9,551,977	\$6,342,718	\$11,291,370
	Per Pupil	\$32	\$522	\$550	\$1,183	\$843	\$1,503
<b>COVID Grants</b>	Total	N/A	N/A	\$2,378,543	\$8,418,493	\$7,348,206	\$12,903,091
	Per Pupil	N/A	N/A	\$303	\$1,043	\$977	\$1,717

## **Present Enrollment Conditions Suggest Underutilization of District Facilities Is Impacting Costs**

### **SECTION SUMMARIES FROM THE FINAL REPORT**

- The combination of declining enrollment, underutilized buildings, and escalating per pupil costs highlights the importance of a new facility utilization and feasibility study to guide future planning and ensure fiscal sustainability.
- Between FY19 and FY24, Neighborhood school enrollment fell by 25%, while per-pupil budgets with all revenue sources rose by 63%, surpassing \$20,000 per student in FY24, indicating higher costs due to fewer students sharing fixed expenses.
- Following the 2017 Education Resource Strategies (ERS) report – commissioned by the District to devise a District “Model for Excellence” – the District reduced the number of schools and buildings to improve efficiency, but progress has slowed since 2020, with facility counts remaining largely unchanged.

<sup>8</sup> CSDE’s Resource Allocation Review did not include a comparison of the proportionality in the District’s allocation of Alliance District ECS funding among magnet and Neighborhood schools.

- Current data indicate that most schools continue to operate below efficient capacity, with 53% under 75% utilization, nearly half below 66%, and 6 schools below 50% utilization, creating conditions associated with elevated per pupil costs.

The OIA analysis recorded a sharp decline in student enrollment alongside a significant increase in per pupil spending, especially at Neighborhood schools. Between FY19 and FY24, total enrollment across Neighborhood and magnet schools fell by 17.8%, while Neighborhood schools alone saw a 25% drop, losing nearly 2,500 students. Despite serving fewer students, total per pupil funding at Neighborhood schools increased by 63%, exceeding \$20,000 per student in FY24 when accounting for all revenue sources. This trend suggests that, with fewer students sharing largely fixed operational and facility costs, the cost of educating each student has risen dramatically.

The rising cost per student is closely tied to how District facilities are being used. Since 2020, despite continued enrollment declines, the number of operational school buildings has remained flat, and the number of schools has increased slightly. As of the most recent data, more than half of the District's schools are operating below 75% of their capacity, and nearly 1 in 5 is less than half full. Eight schools have both low enrollment (fewer than 350 students) and low utilization (below 85%) - a threshold identified in the District's prior facilities study as a key marker of inefficiency. Appendix D. According to the 2017 analysis by ERS,<sup>9</sup> such conditions contribute to annual excess costs of \$3–4 million, or more when adjusted for inflation.

The District previously took steps to address these inefficiencies. Following the ERS report, a series of school closures and consolidations between 2018 and 2020 reduced the number of schools from 45 to 38 and lowered the building count from 37 to 33.<sup>10</sup> Appendix C and D. However, since 2020, that momentum has slowed. The school count has inched back up, while building usage has remained largely unchanged, even as enrollment has continued to decline.

A 2021 enrollment study conducted for the District by the State and School Finance Project forecasts this issue worsening over time based on continuing declines in enrollment. State and School Finance Project Report (SSFP Report), Appendix H. For FY25 to FY30, the SSFP Report projected further enrollment decline of 8%. SSFP Report, 16. Based on the projections in the SSFP Report, by 2030, the District's enrollment will have declined by 29.4% since 2012 (from 21,965 to a projected 15,501 in 2030). Id.

The current conditions, and those forecasted for the future, mirror those highlighted in the ERS study: shrinking enrollment, excess capacity, and rising per-student costs. The data point to a mismatch between facility usage and student population, leading to inefficiencies that divert funding away from classrooms and instructional priorities. To address the rising cost burden and ensure long-term financial sustainability, the District would benefit from revisiting its facilities strategy, starting with a comprehensive utilization and feasibility study to realign resources with actual student enrollment.

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<sup>9</sup> In 2017, the District commissioned a study by ERS to devise a Districtwide "Model for Excellence." According to the ERS Report, the prior Superintendent initiated the effort to "fundamentally examine and re-develop critical aspects of how [the District] educates its students." These efforts came at a time of "significant challenges" to the District's education system, including declining enrollment, concentrated need of students, and continuing fiscal pressures. Education Resource Strategies Report ("ERS Report"), 1, available at [https://core-docs.s3.amazonaws.com/documents/asset/uploaded\\_file/3630/HPS/3032997/ERS\\_Comprehensive\\_Study.pdf](https://core-docs.s3.amazonaws.com/documents/asset/uploaded_file/3630/HPS/3032997/ERS_Comprehensive_Study.pdf).

<sup>10</sup> Among other findings, the ERS Study determined that student enrollment had declined substantially, leaving the district with excess capacity in its school buildings.

## **Student Need Does Not Fully Account for the Increasing Gap in Funding Between Magnet Schools and Neighborhood Schools**

### **SECTION SUMMARIES FROM THE FINAL REPORT**

- Given enrollments and funding levels over time, student need does not fully explain the scale of funding growth at Neighborhood schools relative to magnet schools.
- The gap in per pupil funding between Neighborhood and magnet schools has widened between FY19 and FY24, even as the gap in high-need student enrollment has narrowed.
- Neighborhood schools enrolled 3,642 more high-need students in FY19 than magnet schools, but that gap narrowed to a difference of 1,277 students by FY24 (6,922 at Neighborhood schools and 5,645 at magnet schools). Executive Summary Table 5.
- During the same period, high-need student enrollment declined by 2,395 students at Neighborhood schools (25% decline) and remained relatively steady at magnet schools (declining by 30 students or 1%). Executive Summary Table 5.
- By 2023-24, the average percentage of high-need student enrollment at magnet schools increased significantly from 66.2% to 77.3% while the average high-need enrollment percentage remained relatively stable at Neighborhood schools (increasing from 92.4% to 93.4% approximately), reducing the gap between the two school types from 26 to 16 percentage points since 2018-19. Appendix E.
- Despite converging student need levels, per pupil budgeted operating funds rose by 37% at Neighborhood schools (from \$10,341 to \$14,186) versus 12% at magnet schools (from \$9,697 to \$10,869) from FY19 to FY24. Total per pupil funding with all revenue sources increased by 63% for Neighborhood schools (from \$12,280 to \$20,059) and 40% for magnet schools (from \$10,252 to \$14,308) over the same period. Executive Summary Table 5.

Analysis of enrollment and funding data from FY19 to FY24 indicate that differences in student need do not fully explain why Neighborhood schools received significantly greater increases in funding compared to magnet schools with nearly identical enrollment. While the EBBF is intended to adjust for enrollment variations and student need, enrollment trends reveal that the gap in high-need student populations between the two schools narrowed significantly over this period but the funding gap widened.

The high-need student enrollment trends show the narrowing gap between the school types. In FY19, Neighborhood schools had 3,642 more high-need students than magnet schools, but by FY24, this gap shrank to 1,277. The share of high-need students at magnet schools rose from 69% to 75%, while the percentage at Neighborhood schools declined slightly from 93% to 92%. This shift narrowed the difference in average high-need enrollment percentages from 26.2 percentage points in 2018-19 (92.4% at Neighborhood vs. 66.2% at magnet schools) to 16.2 percentage points in 2023-24 (93.4% vs. 77.3%).<sup>11</sup>

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<sup>11</sup> See scatterplots from the Resource Allocation Review link from EdSight and underlying data in Appendix E.



Despite this growing similarity in student need, funding patterns diverged sharply. Per pupil operating funds at Neighborhood schools increased by 37% between FY19 and FY24, compared to a 12% increase at magnet schools. In 2019, Neighborhood school per pupil budgeted operating funds exceeded that of magnet schools by \$644. By 2024, magnet schools received \$3,317 less per pupil than Neighborhood schools, a difference of \$2,673 from FY19 to FY24. Total budgeted funding per pupil, which includes all revenue sources, evidenced an even starker contrast: Neighborhood schools' funding rose 63% (from \$12,280 to \$20,059), compared to a 40% increase for magnet schools (from \$10,252 to \$14,308). Importantly, this growing funding gap occurred even as the high-need student population at Neighborhood schools declined and magnet schools' high-need enrollment grew.

This pattern suggests that something other than or in addition to student need is driving trends in per pupil funding. If funding were tied directly to levels of high-need students at Neighborhood and magnet schools, per pupil budgets and expenditures would change at the same pace as changes in levels of student need. Instead, the data above (as more fully detailed in the Final Report) demonstrate that Neighborhood schools accounted for a disproportionate share of funding allocations even as magnet schools experienced more substantial increases in student need over the study period.

## **The OIA/Legal Analysis Concluded that District Magnet Schools Are Not Funded at the Level Required by Law**

### **SECTION SUMMARY FROM THE FINAL REPORT**

- C.G.S. § 10-264*l* and the CCP require *Sheff* magnet schools to have high-quality, attractive, themed magnet schools to support the *Sheff* mission.
- In 2009, the Legislature differentiated *Sheff* magnet operators *as a group*, setting higher funding levels to meet *Sheff* obligations (as are now articulated in the CCP).
- The law requires funding parity between *all Sheff* magnet operators so that all operators can provide similar levels of high-quality programming and meet the goals of the CCP.
- Hartford's funding shortfall to its magnets (compared to CREC/GUES magnets) is contrary to the law as outlined in the CCP and C.G.S. § 10-264*l*.
- The disparity also reflects similar funding imbalances between Neighborhood and magnet schools, further suggesting that resource allocation patterns, rather than student need, may be undermining the District's legal and constitutional responsibilities under *Sheff*.
- The EBBF is inherently at odds with the District's obligations under the law and CCP since the framework does not account for the many "extras" required to provide high-quality, themed magnet schools that attract voluntary enrollment from students living in different towns within the Greater Hartford Region to meet the stipulated goals in the CCP.

Hartford's magnet schools are essential to the State's court-ordered *Sheff v. O'Neill* remedy, which is set forth in great detail in the CCP to reduce racial, ethnic and economic isolation by offering high-quality, integrated educational opportunities. Recognizing this unique legal mandate, the Connecticut General Assembly deliberately provided higher levels of funding to *Sheff* magnet schools. In 2009, through PA 09-6 (Sept. Spec. Sess.), the Legislature differentiated *Sheff* Region magnets from others across the State by increasing per pupil grants and emphasizing the importance of supporting their specialized mission. Notably, Education Committee Co-Chair Senator Gaffey remarked during the legislative debate in 2009 that higher levels of funding were necessary specifically for *Sheff* magnet

schools because the schools operate “under a court order” that includes a commitment “to have a far more diverse makeup of our schools in the *Sheff* region,” reinforcing the need for stronger financial support.

Despite this legislative intent, the OIA/Legal findings document that Hartford’s magnet schools received significantly less operational funding than peer *Sheff* magnets run by non-board operators (CREC and GUES) and the District’s own Neighborhood schools during the review period, even though magnet and Neighborhood enrollment levels were nearly identical by the 2023-24 school year and more than half of the students enrolled in District magnet schools were Hartford-resident students. These gaps have widened over time, reflecting a growing funding imbalance at odds (1) with the legal requirement to support *Sheff* magnets as attractive, voluntary options; and (2) the equitable allocation of shared resources within a single Hartford school system. These findings directly conflict with the legislative requirements of C.G.S. § 10-264l and the CCP, which expect that all *Sheff* magnet schools receive equivalent levels of funding, regardless of whether funds flow through ECS, tuition revenue, or per-pupil grants. As determined by the OIA/Legal analysis, this is the only reasonable interpretation of C.G.S. § 10-264l based on the CCP, the legislative history, and the structure of the magnet school funding framework.

A key factor contributing to this disparity is the District’s use of the EBBF. The EBBF is inherently at odds with the District’s obligations under the law and CCP since the framework does not account for the many “extras” required to provide high-quality, themed magnet schools that attract voluntary enrollment from students living in different towns within the Greater Hartford Region to meet the stipulated goals. While the weighted framework may theoretically work to support the core curriculum at both school types, it does not account for the theme-based enhancements and appealing extras that are required by the CCP. Notably, HPS is responsible for its entire public school system – which includes both Neighborhood schools and magnet schools – and their students enrolled in those schools, with the ultimate goal of offering elevated educational options for all Hartford students, regardless of the school type families choose.

As a CCP signatory, the City of Hartford has a legal obligation to fund magnet schools adequately under both the *Sheff* court order and State law, including the obligation to “ensure a successful core school choice portfolio that affords diverse, high-quality educational experiences for those who wish to choose an integrated setting.” CCP at 8. Achieving this goal is impossible without adequate funding. While the District may prioritize funding based on student needs, given its obligations under *Sheff*, it cannot do so by underfunding magnet schools to benefit Neighborhood schools.<sup>12</sup> As signatories to the CCP, Hartford’s actions may render it susceptible to a potential material violation of the CCP/PI and thus leave the case open to renewed court intervention, litigation into which the CSDE would inevitably be drawn.

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<sup>12</sup> There is no state statute that dictates precisely how much funding each of a school district’s schools must receive. Indeed, it is precisely because of the absence of such a mandate that the District was able to implement its EBBF in 2020 to modify funding patterns for its schools. In any event, the analysis in the Executive Summary and the Final Report demonstrates that both Neighborhood and magnet schools serve a high percentage of high-need students and that the percentage of such students enrolled at magnet schools has increased markedly in recent years.

## **Financial Analysis of Hartford Magnet School Operations Recommendations**

The financial analysis of Hartford magnet funding revealed a significant disparity between the per pupil operating resources allocated to Hartford-operated magnet schools and the per pupil allocation to Neighborhood schools and other *Sheff* operators. The recommendations outlined in the Final Report are set forth in this Executive Summary for the following reasons: (1) to guide next steps and support compliance with the CCP and statutory requirements for magnet schools to provide high-quality, themed, and integrated education; and (2) to ensure equitable allocation of shared resources to support educational opportunities within a single HPS school choice system composed of both magnet schools and Neighborhood schools to benefit the Hartford-resident students enrolled in both school types.

### **Recommendation 1 – Hartford should engage a comprehensive utilization and feasibility analysis to optimize funding efficiency.**

The OIA/Legal analysis documented a significant funding disparity between Neighborhood and magnet schools, which increased substantially over the course of the study period (FY19 through FY24). Considering all revenues, the total per pupil budget allocation to Neighborhood schools in 2024 reached \$20,059 as compared to \$14,308 at magnet schools despite nearly identical enrollment. This trend raises concerns about operational efficiency and suggests that fixed facility and operational costs – spread across fewer students – have effectively increased the cost per pupil.

As presented in this report, aggregate funding to Neighborhood schools in 2019 was significantly greater than aggregate funding to magnet schools based on enrollment levels, but there was relative parity in operational funding on a per pupil basis, with a funding gap of \$644 per pupil in favor of Neighborhood schools. By 2024, the funding gap widened to \$3,317 per pupil despite nearly identical enrollment. Although the data substantiates greater high-need student enrollment in the Neighborhood schools, the gap between high-need student enrollments at Neighborhood and magnet schools has declined substantially since 2019 while the gap in per pupil allocations has increased.

Underutilized facility capacity and operational inefficiencies may account, in part, for this funding disparity. Since 2019, student enrollment has declined significantly with limited adjustment to school facilities based on CSDE and ERS records. At Neighborhood schools specifically, student enrollment declined by 25% (from 10,000 students to 7,514) over the years covered by the review but facility adjustments have lagged, with a net total of 4 school building closures since 2019 based on CSDE records. During this same period, full-time equivalent (FTE) staffing levels at Neighborhood schools declined by 176 FTEs but totaled approximately 401 more FTEs than at magnet schools in 2023-24 with nearly identical enrollment. Appendix I.

To optimize funding allocations, the District should immediately engage a comprehensive utilization and feasibility analysis to evaluate current and projected building, classroom, and staffing capacity relative to current and projected enrollment trends over the next 5 and 10 years. This study should identify opportunities to address underutilized capacity, optimize space and classroom size, align staffing with student needs, and ensure resources are distributed equitably across the system and in line with court-ordered requirements. The resulting plan should provide a districtwide roadmap for

sustainable operations, paired with a funding framework directly tied to enrollment and court-ordered obligations in *Sheff*, to support long-term fiscal responsibility and educational quality. Hartford and the CSDE should partner in the planning process to identify opportunities to repurpose capacity and leverage available resources to support student learning across the system while meeting *Sheff* obligations.

### **Recommendation 2 – The SBE should establish clear parameters for allocating funding.**

The OIA/Legal trend analysis documented an inverse relationship between (1) high-need students as a percentage of overall enrollment; and (2) per pupil funding allocations using the EBBF. Specifically, the gap in per pupil funding between Neighborhood and magnet schools has widened, even as the gap in high-need student enrollment has narrowed. This indicates that differences in student need alone do not explain the funding disparities.

To ensure equitable and adequate distribution of available resources in accordance with the CCP and statutory framework, the SBE should establish clear parameters governing the allocation of funding between magnet schools and Neighborhood schools to include all revenue sources for educational supports pursuant to the SBE's authority under C.G.S. § 10-223e(e)(2).<sup>13</sup> At a minimum, these parameters should require a minimum per pupil funding allocation to magnet schools in line with that of all *Sheff* operators per express legislative intent, subject to annual monitoring by the CSDE to ensure compliance with the minimum amount. This minimum per pupil allocation would require the District to adopt a more balanced distribution of ECS and local funding across all Hartford-operated schools, based on student enrollment. Together, these measures would strengthen fiscal accountability and promote a more equitable distribution of resources throughout the District.

As a next step for implementing this recommendation, the CSDE will develop proposed parameters in line with the findings in this Executive Summary and the Final Report for the SBE's approval.

### **Recommendation 3 – Assess the impact of the new funding framework for the magnet operating grant.**

The OIA/Legal magnet funding analysis reviewed magnet funding data through 2024. Beginning in FY25, the General Assembly changed the funding framework from a strict per pupil allocation based on out-of-district enrollment, to a framework aligned with the ECS calculation to reflect the weighted need of student enrollment. For local boards of education in the *Sheff* Region, the formula continues the \$0 per pupil allocation for in-district students. As an important next step in FY26, the CSDE will review the impact of the new funding framework on *Sheff* magnet schools operated by local boards of education based on 2 years of funding data and determine if the new framework provides sufficient funding support to ensure all *Sheff* operators receive comparable operational funding in line with legislative intent. Depending on the outcome of that assessment, a legislative adjustment to the funding formula may be required over the long term to ensure parity in the funding framework.

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<sup>13</sup> This statutory provision empowers the SBE to take extensive action to improve student performance and address other school district needs.